

EXHIBIT 12

BSG Resources Ltd**US deports man linked to BSGR probe**

Simandou: the coveted iron ore deposit in Guinea

FEBRUARY 10, 2015 by: Tom Burgis in London

A French businessman who served two years in a US prison for obstructing a corruption investigation into a multibillion-dollar African mining deal has been released and deported — moving him out of reach of prosecutors who are probing bribery allegations.

Frederic Cilins' departure from US jurisdiction raises questions about the fate of the two-year grand jury investigation into whether the mining arm of Israeli tycoon Beny Steinmetz's family conglomerate paid millions of dollars in bribes to win rights to iron ore prospects in Guinea.

Mr Cilins pleaded guilty in March to one count of obstructing the US investigation. He was sentenced to two years in jail, including time served awaiting trial after he was detained in Florida in an FBI sting the previous year. On Tuesday, he arrived in France after being deported, people familiar with the matter said.

Foreign convicts are routinely deported from the US after completing their sentences. A spokesman for the Department of Justice declined to comment on whether Mr Cilins was still of interest to its inquiries and on the status of the grand jury investigation.

Neither BSG Resources nor Geneva-based billionaire Mr Steinmetz — the company's main financial beneficiary — has been charged in the US investigation, nor in a parallel investigation in

Switzerland. Both deny wrongdoing.

At the heart of the investigation are allegations that BSGR paid bribes to the wife of the then-dictator to advance its cause in Guinea. In 2008, the government stripped rights to half of the coveted Simandou iron ore deposit from Anglo-Australian mining house Rio Tinto and handed them to BSGR.



Vale of Brazil agreed a \$2.5bn deal to buy a stake in BSGR's Guinean assets in 2010. But the deal fell apart last year with only \$500m paid when the current Guinean government cancelled BSGR's rights after a two-year inquiry concluded they had been [won corruptly](#). Vale has begun international arbitration against BSGR, and BSGR has done the same against Guinea, claiming its assets have been illegally expropriated. It says it paid no bribes.

Mr Cilins, who worked as an intermediary for BSGR when it was seeking mineral rights in Guinea, is the only person convicted in relation to a corruption probe that spans three continents. With Guinea in the grip of the Ebola pandemic and a key figure in the case now back in France, US prosecutors who have already stated they believe crimes were committed appear to face difficulties.

Interactive timeline

Simandou iron-ore deposit



The Simandou project has been dogged by delays and disputes.

They have one asset in Mamadie Touré, the fourth wife of the late Guinean dictator who handed BSGR its Simandou rights. She has said in a sworn statement published by the Guinean inquiry that she took cash and shares to advance BSGR's cause.

Ms Touré moved to Florida after the death of her husband Lansana Conté in late 2008 and is a co-operating witness in the US investigation. She helped the FBI [ensnare](#) Mr Cilins by wearing a wire while he

Mining companies continue to vie for control but few now expect Simandou to yield its treasure before the end of the decade, if then

[Explore timeline](#)

offered her millions of dollars to lie to investigators and destroy contracts purportedly laying out the bribery scheme. BSGR says the contracts are fakes and accuses Ms Touré of having tried to extort money from the company, without giving details.

In November US prosecutors won a court order to seize Florida properties belonging to Ms Touré,

which they said were bought with the proceeds of corruption.

Filings in that case gave a [glimpse of the case](#) prosecutors were building. They claimed that Ms Touré received bribes totalling \$5.3m to help a mining company win iron ore rights in Guinea and that the company “continued to fulfil its promise to pay Touré and continued its corrupt scheme after her husband’s death”.

FT explainer

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The filing did not name the company but references to documents published in the Guinean inquiry, to the timing of the award of the mining rights and to the Cilins case make it obvious that the company is BSGR.

The justice department declined to say whether the forfeiture was part of a plea bargain with Ms Touré,

who has not been charged. Unlike Ms Touré, Mr Cilins refused to co-operate with the US investigation. He pleaded guilty to obstructing justice and served his time. His lawyer declined to comment following his release, as did BSGR.

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